

An example of a SEM project

Social Impact Measurement and finding a balance between academic criteria and professional relevance

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This article takes a starting point from a Roskilde Universitet semester project in which the two authors took part and a previous article on SPOR written by Anders Siig Andersen (2013).

Firstly, this article summarises the project report written for the second semester of the Masters programme Social Entrepreneurship and Management (SEM). This project analyses the Social Return On Investment method, which is a prominent approach to social accounting and it does so by using a case study approach to assess the method in the Danish context. The time and resource heavy nature of the SROI meant that the group found many difficulties to fullfill both the practical learning of this tool as well as the academic standards for Roskilde University.

In his article, Andersen (2013) describes how the challenge of this type of project work is two-fold, consisting of a practical and an academic challenge. He argues that by integrating the two more in working with these educations will increase learning for the students.

This article uses an example of a semester project in which there was a clash between the practical work and learning experiences of the students versus the academic requirements to show the issue Andersen (2013) raises. This article aims to further the discussion surrounding this issue and to practically show that students can find it difficult under current systems to fullfill their learning objectives.



Introduction

This article builds upon a project report written by five MA Social Entrepreneurship and Management (from here on SEM) students. The task of writing a project report is an integral part of the SEM program at Roskilde University, whereby both academic learning and collaboration with professionals in the field are central aspects of the study. The aim of this article is twofold: Firstly, it presents an example of MA SEM project work. Secondly, it reflects upon how project work as a method aims at fulfilling academic standards as well as it integrates activities, which concern actors in the practical field of Social Entrepreneurship. In relation to the latter, the article draws upon the learning experiences from the project-group and the insights from, Anders Siig Andersen's article: The competence profile of project work: between science and profession ('Projektarbejdets kompetenceprofil: mellem videnskab og profession'). This article starts with a description of the SEM project "Social Impact Measurement", followed by a section on challenging aspects of project work. The final part presents some reflections based upon the previous sections.

SEM project: Social impact measurement, an assessment of the SROI in the Danish context

The project-group's initial objectives concerning a subject for this spring's semesters project included working with a practical job-related issue, which could provide knowledge attractive for future employers. Moreover our project-group was intrigued by the recent developments surrounding Social Accounting. Social Accounting involves the process of communicating an organization's environmental and/or social aims. It is a way in which organizations document the effects and results of their work, thereby strategically attempting to enhance the legitimacy of their organization in the eyes of its stakeholders. It can furthermore be used for internal result and effect measuring purposes. According to Nicholls et al. (2012: 6-7; Webpage TRASI):

“..there is an increasing recognition within the different sectors of society that better ways to account for the social and environmental impact are needed. The interest to prove this impact is large and has led to the development of many tools and frameworks.”

Nicholls et al. (2012) furthermore argue that the measurement of these impacts are difficult and often involve subjective decisions. In contrast to financial accounting, there are for example no specific principles agreed upon, when it comes to social accounting.

Several social impact measurement models were introduced in the SEM's social accounting course, and it became the intent of our project group to conduct an in-depth investigation, concerning the usage of one of the models in cooperation with a suitable organization. Our initial investigations taught us that there was not a lot of experience in the Danish context concerning the usage of social impact measurement models within third sector organizations.

Case-study

Our collaborative organization became the drop-in centre Muhabet, which is situated in Vesterbrogade in Copenhagen. Muhabet means a loving form of togetherness in Arabic. The target-groups of the organization are immigrants and refugees with different mental illnesses. The main purpose of the centre is to improve the life quality of these people by creating an everyday framework, which strengthens their inclusion into society.

We had several meetings with the management team of Muhabet to determine which social accounting tool would fulfill their needs the best. It became apparent that the management of Muhabet was interested in quantitative analyses of the organizations social impact.

“...it is numbers we have been asking for...for a long time for ourselves. What do we save society? Can we get more ‘bang’ quantitative numbers, which are an analysis, then we stand really strong” (Muhabet, 2014, trans. ed.)

Secondly, when further discussing the aims of social impact measurement, the management of Muhabet indicated that funding organizations and the ministries are interested in the documentation of the effects of an organization's efforts.

“It is ministries and funds. Funds in particular look at, what is in it for us. Which development is present? So do the ministries, they have criteria for success, which are the effects in a short and long term, and there it is fantastic to just hand them that kind of analysis...” (Muhabet, 2014, trans. ed.)

It became clear for our project-group that the management of Muhabet felt a necessi-

ty for a strong communicative tool that would enable them to quantify and possibly monetize their social impact towards external funders. The management of Muhabet and the project-group agreed that a Social Return on Investment analysis (SROI) had the potential to fulfill the demands.

The SROI model

As opposed to more qualitative social accounting tools, the SROI is oriented towards quantification and aims at monetizing the social activities of the organization. The SROI is based upon cost/benefit principles, where money, time and resources put into the organization are balanced against a monetary assessment of the value created through different social activities by the organization. This brings forth in the end a financial ratio, displaying 'how much social value in monetary terms you get for one invested unit' (Nicholls et al., 2012: 10). The main difference between the SROI and a traditional cost benefit analysis is, that the stakeholders play an important role and are an integral part of the whole process (Ibid.). The involvement of stakeholders aims at creating a dialogue, thus making sure that all points of view are taken into consideration (Ibid.: 6).

Internationally, the SROI is one of the most used models and has furthermore, besides the Social Accounting and Auditing model, the potential of being developed towards a common reporting system according (Gibbon & Dey, 2011: 64). However, the model has not been widely recognized or adopted to the Danish context, in which only two examples of an SROI analysis were found (Den Sociale Kapitalfond, 2012; Lind Invest). Initial desktop research revealed that several Danish institutions stress the need for research and development of social impact measurement (Den Sociale Kapital Fond, 2012; Recommendation report from the Committee for Socio-economic Businesses, 2013). The lack of experience with the SROI model in the Danish context entailed that our project-group would produce new knowledge concerning social reporting in Denmark. Furthermore, working with a tool relatively new to the Danish context would possibly provide our group members with interesting knowledge and unique competences for the future labor market.

We knew from previous reports that a SROI analysis is very time and resource consuming well beyond the time frame of the semester, so it became our intent to try to perform as many SROI calculations as possible. However as relevant as trying this tool might be for different organizations within the field of social entrepreneurship, solely performing an SROI analysis did not meet the academic criteria of our master program, which called for an adaption of our intends.

Project design

The purpose of our project became an investigation into the dynamics between the demands from the organizational context of a third sector organization and the operationalization of a SROI. We herewith chose to explore the use of the SROI analyses by recognizing a twofold dimension, a managerial one and an institutional one. We first of all explored social impact measurement and the SROI in specific, from an institutional perspective, whereby the broader societal notions and the institutional demands upon third sector organizations were central. Secondly we investigated the SROI from a managerial perspective, whereby we analyzed the managerial responses to these institutional demands. We argued that it was important to both analyze the context in which the SROI is implemented as well as the model itself, since both are inevitably related. The theory of legitimacy put forth by Suchman (1995) was used as an overall theoretical perspective. We opted to construct a single-case study. Nine interviews were conducted with different experts and agents in the field. Moreover, we had several meetings with the management of Muhabet and we used the participating observation method to obtain data in relation to the target group of Muhabet. Our collected data furthermore contained a variety of formal documents related to Muhabet. This led to an analysis chapter, divided into three sections. In the first section we addressed the demands of the public and private sector related to social impact measurement and third sector organizations, highlighting institutional pressures. The second section described a managerial dimension whereby we analyzed Muhabet's responses to the demands from the institutional context. The third section involved an evaluation of the attempted SROI calculations. This analysis section summarized the experiences that were obtained while working with the SROI tool. The third section of the analysis thereby contained important practical insights. The description of these practical working experiences however, did not induce the usage of the chosen theoretical perspectives.

The Projects Conclusion

We found that there is an increased focus on social impact measurement by the institutional context surrounding third sector organizations. This focus has led to institutional pressures, whereby we have identified the existence of institutional pressures leading to result and outcome oriented reporting. The institutional context has moved from a donation rationale towards an investment rationale, whereby it is important to document 'what works' – what is the return upon the investment made. It became clear that third

sector organizations can gain much legitimacy by reporting what they accomplish, thereby getting access to more resources.

The SROI in specific is one of the social measurement tools that can be used to document the accomplishments of a third sector organization. We however found that there are certain characteristics in relation to the SROI that have to be taken into account. The holistic approach of the SROI can have internal and external consequences. Externally the SROI can lead to an enhancement of the organizations legitimacy. Internally, it can influence established procedures and working methods. The SROI forces the management to look more in-depth into the performance, related to specific activities or working methods thereby possibly creating tension on internal policies. Furthermore it has to be taken into account that the SROI is very time consuming and resource demanding for small organizations to complete, without being guaranteed a positive outcome. The SROI analysis is moreover subject to the assumptions made by the persons performing the SROI, since estimating the monetary value of life quality can be done through a great variety of indicators, all leading to different outcomes. There is therefore an underlying danger that the SROI becomes a tool that is used to boost the performance of the implied organization. Third sector organizations will most likely have to make strategic choices based on an analysis of potential consequences, in relation to the implementation of an SROI. The need to comply to the exerted pressures from surrounding organizations might provoke the third sector organization to react in an accepted manner, thereby pressuring for strategic decisions in relation to internal organizational procedures and legitimacy concerns.

Trying to balance academic criteria and professional relevance

Balancing two challenges

The problem oriented project form requires that students fulfill the academic criteria that are put forth at the start of the semester. Moreover, project work entails that the student collaborates with external agents in activities that have professional relevance. In the first edition of SPOR, Anders Siig Andersen (2013) wrote about the double challenge of the project form used in Aalborg and Roskilde University. The double challenge in project work according to Anders Siig Andersen (2013) is, that academic standards



need to be met, while project work simultaneously needs to give the students the qualifications and competences needed for the awaiting project work form presented in organizations outside the boundaries of the university. Our project-group has tried to balance these two challenges. Our analysis section one and two became the academic foundation for the project in opposition to analysis section three, which represented the relevant experiences for our future practical field of profession. Balancing the two challenges forced us to include more in our project, sacrificing analytical depth. This was also structurally evident in the working process, where two of the group members integrated into the organization of Muhabet and held interviews with stakeholders

of Muhabet for the purpose of collecting data for working with the SROI, whilst the last three other members focused upon literature review, collecting empirical data that was needed for analysis section one and two. The two challenges were both being processed in the project report, but relatively independent of each other. Only making the academic institutional analysis (section one and two) would have been sufficient to fulfill the requirements of the university, whilst the SROI analysis contained more practical profession oriented competences. It was mentioned at several occasions by different supervisors that our project in reality contained two projects.

Reflections



Integrating the two challenges is an inherent part of doing project work at RUC, but is likely even more challenging in educations that focus on innovation, entrepreneurship, business- and organizational life such as the education in question of this issue. It is for example the authors' experience that a focus on the entrepreneurial aspects of the SEM study advances a tendency to focus on very practical oriented issues such as, for example writing a business plan or in this case performing a SROI analysis.

Anders Siig Andersen (2013) advocates for a stronger integration of the qualifications and competences asked for in the world outside of universities, when it comes to working in a project at a university, in order to prevent a qualification and competence deficit. This article exemplified this argument and advocates for universities to reflect upon how students can enhance their learning not only by integrating both academic

and vocational skills, in the profile description of the student, but as well in the practical execution of their project work.

Reflecting upon how to balance these two challenges within an entrepreneurial master program and how to work with an integration of the two value sets might prove to have great potential for increasing the learning potential of writing projects. By doing so, it can possibly ensure that learning experiences from both academic and vocational tasks not only supplement each other in parallel processes, but enforce each other, contributing with knowledge relevant in both systems.

The hypothesis of this article is, that the better the two challenges can be integrated into one project or master program the more will students learn about their field of study. The understandings in relation to our project that resolved from the theoretical analysis on the one hand, led for example to a thorough encompassing overview of possible issues involved. The constructed theoretical frame obliged to look at our studied subject with the use of different overall theoretical perspectives and insights. The practical experiences of performing an SROI on the other hand enhanced our vocational skills. Our project work however, has exemplified that balancing between performing professional tasks, while simultaneously adhering to academic standards can be a challenging endeavor. The authors of this article hope that by exemplifying these challenges in relation to their project work they contribute to a debate around finding a balance of needed vocational and academic skills in relation to project oriented work forms.

Resumé

Artiklen tager udgangspunkt i et MA SEM gruppeprojekt, som artiklens to forfattere var en del af samt en artikel tidligere publiceret i SPOR skrevet af Anders Siig Andersen (2013).

Først præsenteres førnævnte projekt. Projektet analyserer Social Return on Investment modellen, som er et prominent værktøj indenfor 'social regnskabsførelse' (social accounting). Modellen blev analyseret ved brug af en case study metode for at se hvorledes modellen ville fungere i en dansk sammenhæng. SROI-modellen er meget tids- og ressourcekrævende, hvilket medførte at projektgruppen fandt det svært både at opnå det fulde læringsudbytte ved at arbejde med modellen i praksis, men også at opfylde akademiske standarder på RUC tilfredsstillende.

Anders Siig Andersen beskriver i hans artikel (2013) hvordan udfordringerne i denne type projektarbejde er dobbelt i form af en praktisk såvel som en akademisk udfordring.

Han argumenterer for at ved at fremme integrationen af de to udfordringer i projektarbejderne på uddannelserne, sikres et større læringsudbytte hos de studerende.

Artiklen eksemplificerer et projektarbejde, hvor sammenstødet mellem den praktiske udfordring og læringsgevinst for de studerende versus de akademiske standarder, underbygger nogle af de pointer Anders Siig Andersen fremlægger i sin artikel. Artiklen ønsker at fremme diskussionen om den dobbelte udfordring samt vise i praksis hvorledes studerende kan finde det svært indenfor dette system at opnå et fuldt læringsudbytte.

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